



State of Utah

Department of  
Natural Resources

Division of  
Oil, Gas & Mining

ROBERT L. MORGAN  
*Executive Director*

LOWELL P. BRAXTON  
*Division Director*

OLENE S. WALKER  
*Governor*

GAYLE F. McKEACHNIE  
*Lieutenant Governor*

February 4, 2003

Virgil Anderson  
Anderson Engineering Co.  
977 West 2100 South  
Salt Lake City, Utah 84119

Subject: Formal Acceptance of Notice of Intention to Commence Small Mining Operations and Form and Amount of Reclamation Surety, Anderson Engineering Company, Lime Peak/Fitchville Quarries, S/049/044, Utah County, Utah

Dear Mr. Anderson:

Thank you for your Notice of Intent (notice) and initial permit fee payment, received on December 30, 2003, concerning your proposed Lime Peak / Fitchville Quarries small mining project. The Lime Peak Quarry is located in the SE1/4 of SE1/4 of SW1/4 and the Fitchville Quarry is located in the NE1/4 of NW1/4 of SW1/4, both in Section 4, T10S, R2W, SLBM, Utah County, Utah.

The notice proposes to create no more than one acre of surface disturbance. The surety bond requirement for this amount of disturbance is \$5,000, which was posted in the form of a Certificate of Deposit #046-927286-8 issued by Zions Bank. The surety and Reclamation Contract, which is directly tied to the surety was received on February 2, 2004. The Division Director has accepted the form and amount of surety. The signed and executed documents are enclosed for your records.

Before we could grant acceptance of the notice, we were required to forward a copy of your notice to the Utah Division of State History to check if there were any historical or archaeological properties in the area of the proposed operation. We have received notification from State History that there are "No Historic Properties Affected."

Your notice now satisfies the requirements of Rule R647-3 of the Utah Mined Land Reclamation Act of 1975, Title 40-8, et seq., Utah Code Annotated.



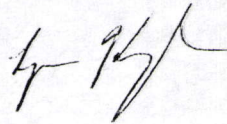
Virgil Anderson  
Page 2 of 2  
S/049/044  
February 4, 2004

**You may commence with your small mining activities as outlined in your notice.**

The Utah Mined Land Reclamation Act of 1975 [40-8-7(i)] provides the authority for fee implementation which was approved by the Utah Legislature at its 1998 session. Commencing July 1, 1998, the fees are assessed to new and existing notices of intention, and annually thereafter. Small mine notices require a \$150.00 fee until the file is closed and you are officially released by this Division from any further obligation associated with this project.

Please keep us apprised of the status of your operation, including any plans for reclamation of the sites. Thank you for your cooperation. When in the area, a member of the Division staff will examine the site. In reply, please refer to file number S/049/044.

Sincerely,



Lynn Kunzler  
Senior Reclamation Biologist

jb  
Enclosure: Copy of Reclamation Contract & CD  
cc: Robert Bischoff, Zions Bank (Enclosure only)  
O:\M049-Utah\S049044-LimePeak-Fitchville\final\NOI-accept-04042004.doc



FORM MR-RC  
Revised January 30, 2003  
RECLAMATION CONTRACT

File Number S/049/044  
Effective Date Feb 3, 2004  
Other Agency File Number n/a

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION of OIL, GAS and MINING  
1594 West North Temple Suite 1210  
Box 145801  
Salt Lake City, Utah 84114-5801  
(801) 538-5291  
Fax: (801) 359-3940

RECLAMATION CONTRACT

---ooOoo---

For the purpose of this RECLAMATION CONTRACT the terms below are defined as follows:

"NOTICE OF INTENTION" (NOI): (File No.) S/049/044  
(Mineral Mined) LIME STONE

"MINE LOCATION":  
(Name of Mine) LIME PEAK - QUARRY  
(Description) ~~SOUTH 1/4 SECTION 36 T4S R10E S.L.B&M~~  
~~APPROX 2 1/2 MILES E. OF FORECA UT.~~  
~~FITCHVILLE - QUARRY~~  
~~SOUTH 1/4 SECTION 1 T10S R10E~~  
APPROX 1/2 Mile North of Lime Peak S.L.B&M

"DISTURBED AREA":  
(Disturbed Acres) 1 ACRE  
(Legal Description) (refer to Attachment "A")

"OPERATOR":  
(Company or Name) ANDERSON ENGINEERING CO  
(Address) 977 WEST 2100 SOUTH  
SALT LAKE CITY, UTAH 84119  
(Phone) (801) 972-6222



"OPERATOR'S REGISTERED AGENT":

Name)

(Address)

(Phone)

STEVEN D. ANDERSON

977 W. 2100 S.

SALT LAKE CITY, UT.

(801) 972-6222

"OPERATOR'S OFFICER(S)":

STEVEN D. ANDERSON PRES.

VIRGIL B. ANDERSON V.P.

JEANNE ANDERSON SEC.

SURETY":

(Form of Surety - Attachment B)

CERTIFICATE OF DEPOSIT  
ZIONS BANK

"SURETY COMPANY":

(Name, Policy or Acct. No.)

ZIONS BANK

~~XXXXXXXXXXXX~~

"SURETY AMOUNT":

(Escalated Dollars)

\$ 5,000

"ESCALATION YEAR":

2005

"STATE":

State of Utah

"DIVISION":

Division of Oil, Gas and Mining

"BOARD":

Board of Oil, Gas and Mining

ATTACHMENTS:

A "DISTURBED AREA":

B "SURETY":

This Reclamation Contract (hereinafter referred to as "Contract") is entered into between ANDERSON ENGINEERING CO the "Operator" and the Utah State Division of Oil, Gas and Mining ("Division").

WHEREAS, Operator desires to conduct mining operations under Notice of Intention (NOI) File No. S/C 42/044 which has been approved by the Utah State Division of Oil, Gas and Mining under the Utah Mined Land Reclamation Act, Sections 40-8-1 et seq., Utah Code Annotated, (1953, as amended) (hereinafter referred to as "Act") and implementing rules; and

WHEREAS, Operator is obligated to reclaim that area described as the Disturbed Area as set forth and in accordance with Operator's approved Reclamation Plan, and Operator is obligated to provide surety in form and amount approved by the Division, to assure reclamation of the Disturbed Area.



NOW, THEREFORE, the Division and the Operator agree as follows:

1. Operator agrees to conduct reclamation of the Disturbed Area in accordance with the Act and implementing regulations, the approved Notice of Intention and Reclamation Plan received 12-~~21~~-03. The Notice of Intention and the Reclamation Plan, as amended, are incorporated by this reference and made a part hereof.
2. Concurrent with the execution hereof, Operator has provided surety to assure that reclamation is conducted, in form and amount acceptable to the Division. Such surety as evidenced by the Surety Contract is in the form of the surety attached hereto as Attachment B and made a part hereof. The Surety Contract shall remain in full force and effect according to its terms unless modified by the Division in writing. If the Surety Contract expressly provides for cancellation, then, within 60 days following the Division's receipt of notice that the Surety Company intends to cancel the Surety Contract, the Operator shall provide a replacement Surety Contract in a form and amount reasonably acceptable to the Division. If the Operator fails to provide an acceptable replacement Surety Contract, the Division may order the Operator to cease further mining activities and to begin immediate reclamation of the Disturbed Area.
3. Operator agrees to pay legally determined public liability and property damage claims resulting from mining to the extent provided in Section 40-8-7(1)(e) of the Act.
4. Operator agrees to perform all duties and fulfill all reclamation requirements applicable to the mine as required by the Act and implementing rules, the Notice of Intention, as amended and the Reclamation Plan, as amended.
5. The Operator's liability under this Contract shall continue in full force and effect until the Division certifies that the Operator has reclaimed the Disturbed Area in accordance with the Act and implementing rules, the Notice of Intention, as amended and the Reclamation Plan, as amended.
6. If reclamation of discrete sections of the Disturbed Area is completed to the satisfaction of the Division, and the Division finds that such sections are severable from the remainder of the Disturbed Area, Operator may request the Division to certify that Operator has reclaimed such discrete sections of the Disturbed Area in accordance with the Act and Implementing rules, the Notice of Intention, as amended and the Reclamation Plan, as amended. If the Division makes such certification, Operator may make request to the Division that the aggregate face amount of the Surety Contract provided pursuant to paragraph 2 be reduced to an amount necessary to provide for completion of the remaining reclamation. The Division shall hear Operator's request for such reduction in accordance with the Board's Procedural Rules concerning requests for Agency Action.



7. Operator agrees to indemnify and hold harmless the State, Board and the Division from any claim, demand, liability, cost, charge, suit, or obligation of whatsoever nature arising from the failure of Operator or Operator's agents and employees, or contractors to comply with this Contract.
8. Operator may, at any time, submit a request to the Division to substitute surety. The Division may approve such substitution if the substitute surety meets the requirements of the Act and the implementing rules.
9. This Contract shall be governed and construed in accordance with the laws of the State of Utah.
10. If Operator shall default in the performance of its obligations hereunder, Operator agrees to pay all costs and expenses, including reasonable attorney's fees and costs incurred by the Division and/or the Board in the enforcement of this Contract.
11. Any breach that the Division finds to be material of the provisions of this Contract by Operator may, at the discretion of the Division, result in an order to cease mining operations. After opportunity for notice and hearing, the Board of Oil, Gas and Mining may enter an order to revoke the Notice of Intention, order reclamation, or order forfeiture of the Surety Contract, or take such other action as is authorized by law.
12. In the event of forfeiture of the Surety Contract, Operator shall be liable for any additional costs in excess of the surety amount which are required to comply with this Contract. Any excess monies resulting from forfeiture of the Surety Contract, upon completion of reclamation and compliance with this Contract, shall be returned to the rightful claimant.
13. This Contract including the Notice of Intention, as amended and the Reclamation Plan, as amended, represents the entire agreement of the parties involved, and any modification must be approved in writing by the parties involved.
14. Each signatory below represents that he/she is authorized to execute this Contract on behalf of the named party.



OPERATOR:

ANDERSON ENGINEERING CO.  
Operator Name

By VIRGIL B. ANDERSON  
Authorized Officer (Typed or Printed)

PRINCIPAL V.P. PRINCIPAL  
Authorized Officer - Position

Virgil B. Anderson  
Officer's Signature

2 February 2004  
Date

STATE OF Utah )  
COUNTY OF Salt Lake ) ss:

On the 2nd day of February, 2004, Virgil B Anderson personally appeared before me, who being by me duly sworn did say that he/she is the Principal & Vice Pres. of Anderson Engineering Co and duly acknowledged that said instrument was signed on behalf of said company by authority of its bylaws or a resolution of its board of directors and said Virgil B Anderson duly acknowledged to me that said company executed the same.

Joelle Burns  
Notary Public  
Residing at SLC Utah

April 4, 2005  
My Commission Expires:





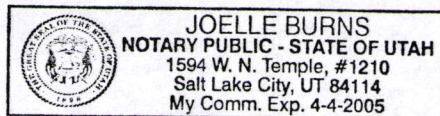
DIVISION OF OIL, GAS AND MINING:

By Lowell P Braxton  
Lowell P. Braxton, Director

2/3/04  
Date

STATE OF Utah )  
COUNTY OF Salt Lake ) ss:

On the 3<sup>rd</sup> day of February, 2004, Lowell P Braxton personally appeared before me, who being duly sworn did say that he, the said Lowell P. Braxton is the Director of the Division of Oil, Gas and Mining, Department of Natural Resources, State of Utah, and he duly acknowledged to me that he executed the foregoing document by authority of law on behalf of the State of Utah.



Joelle Burns  
Notary Public  
Residing at: S LC UT

April 4, 2005  
My Commission Expires:



## ATTACHMENT "A"

Anderson Engineering Company  
Operator

Lime Peak / Fitchville Quarries  
Mine Name

S/049/044  
Permit Number

Utah County, Utah

### LEGAL DESCRIPTION

*Include 1/4, 1/4, 1/4 sections, townships, ranges and any other descriptions that will legally determine where disturbed lands are located. Attach a topographic map of suitable scale (max. 1 inch = 500 feet; 1 inch = 200 feet or larger scale is preferred) showing township, range and sections and a clear outline of the disturbed area boundaries tied to this Reclamation Contract and surety.*

**The detailed legal description of lands to be disturbed includes portions of the following lands not to exceed 1 acres under the approved / accepted permit and surety, as reflected on the attached map labeled Anderson Engineer Company Lime Peak & Fitchville Quarries and dated February 2, 2004**

Lime Peak Quarry – SE1/4 of SW1/4 of SW1/4

Fitchville Quarry – NE1/4 of NW1/4 of SW1/4

Section 4, Township 10 South, Range 2 West, SLBM



Anderson Engineering Company  
Lime Peak and Fitchville Quarries  
S/049/044

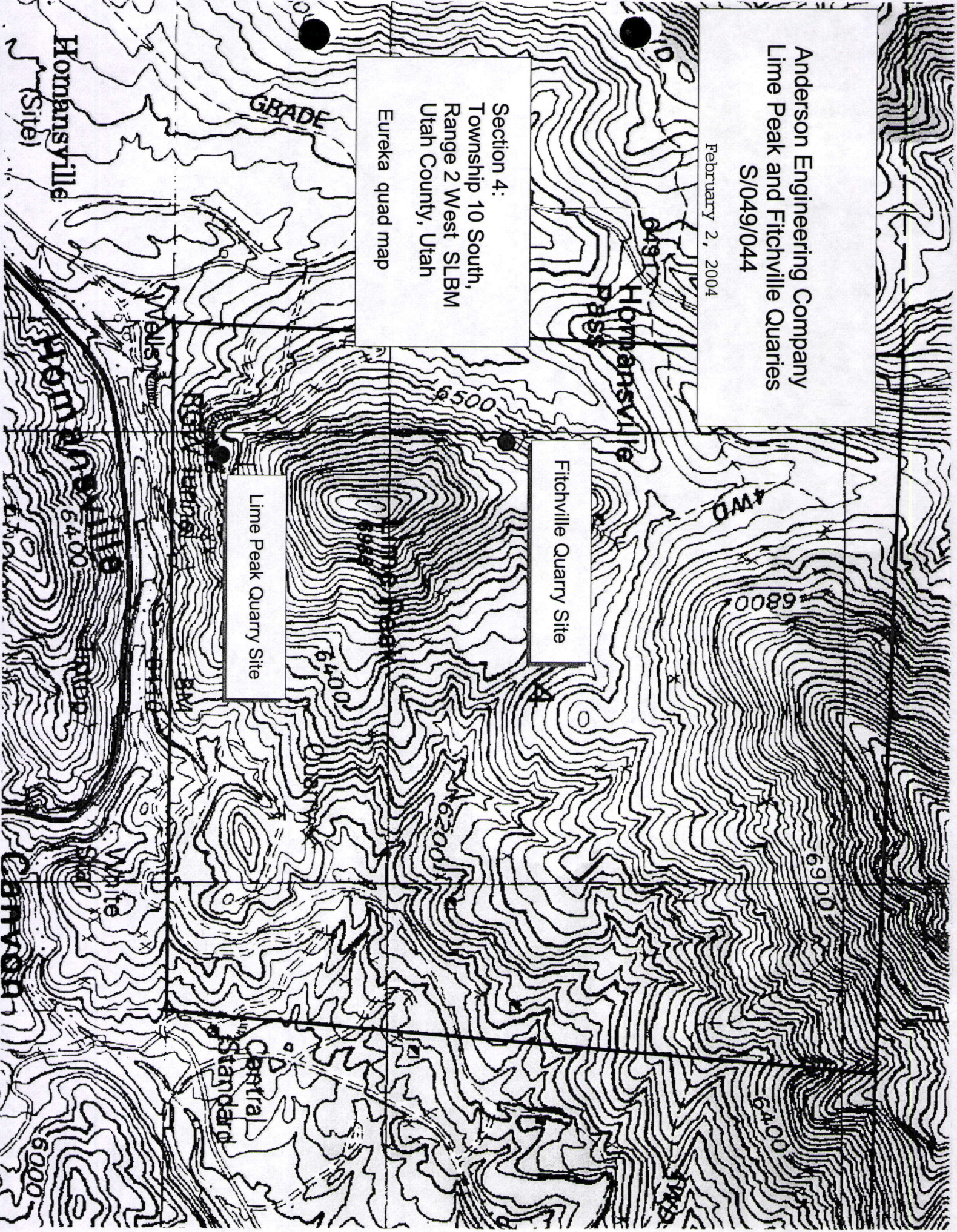
February 2, 2004

Section 4:  
Township 10 South,  
Range 2 West SLBM  
Utah County, Utah

Eureka quad map

Fitchville Quarry Site

Lime Peak Quarry Site







OLENE S. WALKER  
Governor  
GAYLE F. McKEACHNIE  
Lieutenant Governor

# State of Utah

## DEPARTMENT OF NATURAL RESOURCES Division of Oil, Gas & Mining

ROBERT L. MORGAN  
Executive Director

LOWELL P. BRAXTON  
Division Director

January 30, 2004

Zions First National Bank  
2302 Washington Blvd.  
3<sup>rd</sup> Floor – Commercial Loan Dept.  
Ogden, Utah 84401

Attention: Robert J Bischoff

Re: Reclamation Surety, Certificate of Deposit for Anderson Engineering Co., Inc., Lime Peak and Fitchville Quarries Mine Site, S/049/044, Utah County, Utah  
Certificate of Deposit No. ~~44-527286-8~~; Principal Amount \$5,000.00.

This letter describes the mutually agreed upon instructions of the below signed parties to Zions First National Bank (Bank), regarding the control, redemption, and release of Bank's above-described certificate of deposit (CD), which is being used as a surety to guarantee the availability of reclamation funds for the Lime Peak and Fitchville Quarries (Mine Site), Utah County, Utah. It is the intention of the parties that the CD be utilized as surety to guarantee that \$5,000.00 in reclamation funds will be available to the State of Utah, Division of Oil, Gas & Mining (Division) upon demand in the event that the operator(s) of the Mine Site are unable or unwilling to complete reclamation of the mine site in compliance with applicable state law and regulations.

### Ownership and Renewal:

Ownership of the CD is retained by Anderson Engineering Company, Inc., a Utah corporation, (Owner), but it is held by Bank for the benefit of the State of Utah, Division of Oil, Gas & Mining and is subject to the terms and conditions described in this agreement. The CD shall automatically renew indefinitely until either redeemed or released by the Director of the Division.

### Redemption:

The CD may only be redeemed (i.e., called on demand), pursuant to the written instruction or demand of the Director of the Utah Division of Oil, Gas & Mining to the Bank. Upon the instruction and demand of



the Director, the full initial amount of the CD shall be transferred to the State of Utah, Division of Oil Gas and Mining. Owners agree and irrevocably instruct Bank that neither the Owner(s), nor any other person claiming an ownership interest in the CD, which is derived from the Owners, shall have the authority to prevent the Bank from carrying out the Director's instruction to redeem the CD. Upon redemption, any accrued interest in excess of the initial amount of the CD shall be transferred to Owners' control, or if Owners do not instruct the Bank, the accrued interest shall be reinvested in the CD. If a signature card is prepared, it shall be drafted consistent with the requirement that only the Director of the Division may redeem the CD.

**Release:**

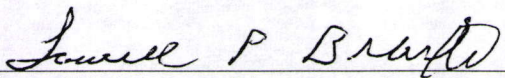
The bank shall release the CD only upon the written instruction of the Director of the Division to the Bank. Upon release, the terms and conditions of this agreement are no longer in effect, and the unconditioned control of the CD shall be returned to the Owners, or their legal successors-in-interest.

**Accrued Interest:**

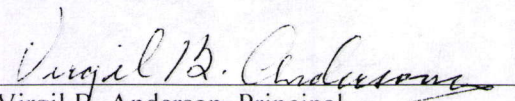
Prior to release or redemption, all interest which accrues by the CD shall be 1) dispersed quarterly to the Owner(s) as the Owner(s) may instruct the Bank, or 2) shall be reinvested in the CD until such time the Owner(s) may instruct the Bank where to transfer such interest. In no event shall the Bank transfer any amount from the CD, which would cause the redemption amount of the CD to be less than the initial amount, \$5,000.00. All tax liabilities for accrued interest shall remain the responsibility of the Owners.

**Bank will not be held liable for any dispute between the parties.**

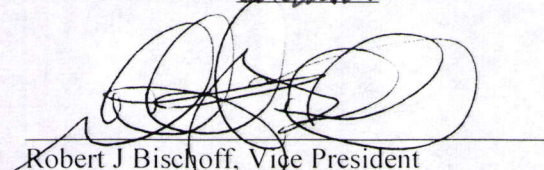
Agreed Upon By:

  
\_\_\_\_\_  
Lowell P. Braxton, Director  
Utah Division of Oil, Gas & Mining

Date: 2/3/07

  
\_\_\_\_\_  
Virgil B. Anderson, Principal  
Anderson Engineering Company, Inc.  
Tax ID Number: ~~93-0977088~~

Date: 2/2/04

  
\_\_\_\_\_  
Robert J Bischoff, Vice President  
Zions First National Bank

Date: 2/2/04



**ZIONS BANK®**

**TIME DEPOSIT CONFIRMATION**

Account Number: ~~0160272300~~

Date: 01/22/2004

Ownership: ANDERSON ENGINEERING - FBO UTAH DIVISION OF OIL, GAS, AND MINING

PERMIT # S/049/044

Purchase Amount: \$5,000.00 Term: 12 ☒ Months ☐ Days

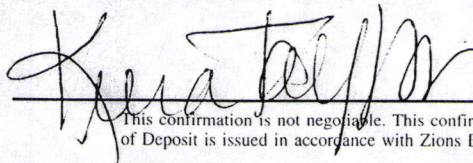
Interest Rate: 1.300% Annual Percentage Yield: 1.300% Maturity Date: 01/22/2005

Interest Payment Frequency: ☐ At Maturity ☐ Annually ☒ Quarterly ☐ Monthly

Interest Payment Method: ☒ Add to Deposit ☐ Issue Check ☐ Transfer to Account Number \_\_\_\_\_

Non-Renewable If Checked: ☐ ☐ Checking/MMDA ☐ Savings

Zions Bank Representative Signature: \_\_\_\_\_



This confirmation is not negotiable. This confirmation is not transferrable except on the records of the Bank. The Certificate of Deposit is issued in accordance with Zions Bank's Deposit Agreement.